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SUBJECT: A/S SHANNON AND DFM RYABKOV DISCUSS RUSSIA-LATIN  
AMERICAN RELATIONS

Classified By: Deputy Chief of Mission Eric S. Rubin. Reasons 1.4 (b)  
and (d).

11. (C) Summary: On December 22, Russian Deputy Foreign Minister Sergey Ryabkov and Assistant Secretary for Western Hemisphere Affairs Thomas Shannon discussed ways in which the U.S. and Russia could constructively engage on issues related to Latin America. Both sides agreed on the need to cast off the shadow of Cold War rivalry in developing relations with the countries of the region. Ryabkov indicated that the recent increase in Russian activities in Latin America represented a long-term commitment to revitalize bilateral relations in the region. Russia's actions, he said, were based on common interests rather than ideology. He sought U.S. advice on how to develop an overall policy framework toward Latin America, and exchanged views with A/S Shannon on individual countries, including Venezuela, Bolivia, Cuba, Colombia, and Haiti. A/S Shannon told DFM Ryabkov the U.S. did not feel threatened by recent Russian military maneuvers in Latin America, and invited the Russian Navy to visit a U.S. port the next time it sent ships to the region. Additionally, A/S Shannon met with Vice President of Conoco Philips Russia Stuart Snow, who told him that Russian energy companies needed to recover from the financial crisis before they could concentrate on investing in the Latin American energy sector, despite GOR wishes to the contrary. The MFA clearly welcomed this opportunity to consult. We believe that finding additional opportunities to engage on Latin America might help to blunt the instinct here to revive Cold War symbolism. End Summary.

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Encouraging The GOR To Engage Constructively...  
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12. (C) In the course of over three hours of discussions on December 22, WHA Assistant Secretary Shannon told Deputy Foreign Minister Ryabkov the USG would like to work constructively with the GOR to address issues of common interest affecting Latin America. Ryabkov welcomed the consultations, noting that the USG and the GOR had not held high-level discussions about Latin America since 2001. He told A/S Shannon that the recent increase in Russian activities in Latin America reflected Russia's pragmatic attitude toward the region and was part of a long-term effort to improve relations there. The growth of the economies of Russia and countries in Latin America had served as a catalyst for re-establishing relationships that had been neglected since the end of the Cold War, as well as forming new ones. Ryabkov asserted that Russian and Latin American interests and political views often converged, particularly with regard to a commitment to multilateralism. He

highlighted coordination at the UN and cooperation on resolving the global financial crisis as two areas of special importance.

#### Casting Off The Shadow of Cold War Ideology

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13. (C) Ryabkov told A/S Shannon that Latin America's recent tilt toward the political left had not been a motivating factor in Russia's re-engagement with the region. "Our policies are not based on ideology," he argued, saying Russia was happy to engage with countries of any political stripe. He pointed out that Medvedev's recent trip to Latin America took him to a "balanced constellation of countries," including Brazil, Venezuela, Peru, and Cuba. The presidents of Argentina and Nicaragua, as well as the foreign ministers of Mexico and Venezuela, had visited Moscow recently. Russian officials meet with their Latin American counterparts on a regular basis on the margins of international fora, and the GOR engages with regional organizations such as the Rio Group and the Andean Union. Ryabkov also relayed that the GOR had intensified its relationship with fellow BRIC country Brazil, highlighting Finance Minister Kudrin's recent visit to Sao Paulo and praising Brazil for working actively with the GOR on the financial crisis.

14. (C) A/S Shannon in response said that U.S. policy in the region was likewise not driven by ideology. "The U.S. does not view the region through a Cold War prism anymore," he stated. The U.S. would work with governments committed to

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democracy regardless of their left, right, or center leanings.

15. (C) Commenting that the GOR currently did not have a comprehensive framework on Latin America and was not likely to have one in the near future, Ryabkov sought an explanation of the overarching U.S. strategy toward the region. A/S Shannon briefed Ryabkov on the basic pillars of U.S. policy: promoting democracy, fostering economic growth, investing in people to develop their society, and protecting the security of democratic states. He also elaborated on the "Pathways to Prosperity" initiative. He undertook to provide Ryabkov a packet of material that would outline U.S. policies and achievements in the region.

#### An Invitation to Joint Exercises

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16. (C) In response to A/S Shannon's statement that U.S. policy towards security in the region had moved beyond preventing external aggression and war to include counter-terrorism and counter-narcotics cooperation, Ryabkov indicated that cooperation on new threats and challenges had also become a focus in Russia's bilateral relations with the Latin American countries. Drug trafficking from the region, in particular, haQurQD6\$D"ASecretariat members and facilitated arms transfers in the gray and black markets. With Russia supplying the Venezuelan military with new weapons, the U.S. was concerned that the decommissioned weapons, as well as rifles and bullets produced under Russian-granted license, could find their way to the FARC and the black market. Warning Ryabkov that Venezuela was an unreliable end-user of arms, A/S Shannon detailed its violation of U.S. export controls for F-16 engines. While it may not be Venezuelan policy to transfer arms to the FARC, there was a history of Venezuelan forces and government actors selling weapons to the terrorist-designated organization.

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110. (C) DFM Ryabkov claimed to be surprised by the scale of

Chavez's links to the FARC. He reiterated that all Russian arms sales to Venezuela were in accordance with international law and domestic regulations, stressing that the GOR had a robust system of export controls. While it would not be in Russia's interest for the FARC to obtain Russian-origin weapons, Ryabkov said that it was "hard to judge allegations" involving the FARC. He speculated that as it declined as a political force, the FARC's criminality would increase.

¶11. (C) A/S Shannon assessed that Chavez's criticisms of the United States had failed to carve out a leadership role for the Venezuelan President in the region. As the price of oil continued to drop, Chavez was likely to face additional domestic problems. DFM Ryabkov agreed, pointing out that recent local elections were "almost a landslide victory" for the opposition. A/S Shannon noted that the U.S. had a robust energy relationship with Venezuela and would welcome improvements in the overall bilateral relationship. However, Chavez's concern that any rapprochement with the U.S. would threaten his support base had impeded such efforts. Ryabkov noted DPM Sechin's energy talks with Venezuela, and said a consortium of Russian companies sought to participate in projects in Venezuela, especially off-shore drilling. He noted Russia had sought U.S. companies' help in establishing gas-drilling platforms in Venezuela.

¶12. (C) DFM Ryabkov told A/S Shannon that the GOR had a framework agreement for civil nuclear cooperation with Venezuela, part of a broader package of deals signed during President Medvedev's November visit to Caracas. The GOR, however, was far from making the deal operational; if and when circumstances in the future became conducive to actual projects, they would be strictly in accordance with the GOR's IAEA and NPT commitments. Ryabkov praised the efforts of RosAtom Head Nikolay Spasskiy to negotiate the deal, arguing that any deal he signed had "no room for ambiguity," which was not necessarily the case with regard to the nuclear cooperation agreement signed by Argentina and Brazil. While Ryabkov was quick to state that neither country represented a proliferation threat, he expressed concern that this type of bilateral arrangement could set a bad precedent and be seized upon by less well-intentioned countries as a substitute for the stricter standards set by the IAEA. Ryabkov and A/S Shannon agreed that our two governments should have more discussions and seek to coordinate messages on this issue.

Bolivia  
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¶13. (C) A/S Shannon noted that Bolivia was a major concern, particularly in the wake of the expulsion of the U.S. ambassador and DEA. As Colombia became more successful in inhibiting cartel activity, drug lords were shifting to Venezuela, were in to making inroads into Bolivia. Morales' political calculation to halt cooperation with the U.S. was contrary to Russian interests, A/S Shannon noted, since most of Bolivia's cocaine was destined for European markets. Explaining that the U.S. had been compelled to decertify Bolivia as a counter-narcotics partner, he urged the GOR to encourage Bolivia to work with the U.S. to combat the narcotics trade and to curb the expanding role of the drug cartels. Arguing that this was in everyone's interests, A/S Shannon stressed that "Bolivia cannot solve its drug problem by itself."

¶14. (C) DFM Ryabkov agreed that the drug cartels had the potential to disrupt security in the region, stating that this was an issue of growing concern, as Russia increasingly became a lucrative new market for the cartels. However, he noted that Russia had not engaged Bolivia at senior levels recently. Ryabkov also expressed concern about the Bolivian cartels' cross-border cooperation with cartels in Paraguay, and indicated that, while Chavez told Medvedev that the situation was under control, the GOR was concerned Bolivia's domestic problems could become international in scope.

Cuba  
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¶15. (C) DFM Ryabkov posited that Cuba had become more open since Raul Castro took over the reigns of power, and Russia

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was "comfortable" with his strategy of improving standards of living while keeping a grip on power. Cuban Communists, he argued, were trying to emulate the "China model" of allowing limited economic freedom, and Russia welcomed the growing momentum within the EU to lift economic sanctions against Cuba. Commenting that Medvedev's visit to Cuba was the "start of a process" of restoring relations, Ryabkov hinted at further senior-level visits, noting that "some documents" were being prepared for signature, but that it was premature to reveal their contents. In addition, Russia had already provided significant humanitarian assistance in the wake of Hurricanes Gustav and Ike, and was reconstituting educational and training programs for Cuban students and specialists. "Something real is happening in Cuba," Ryabkov enthused, stressing that "visually" the growth in small and medium businesses was striking. He conceded, however, that the Cuban leadership continued to see "everything" through the prism of U.S. politics, in an "overly politicized" way.

¶16. (C) A/S Shannon took issue with Ryabkov's optimistic assessment, noting that many of Fidel's allies remained in positions of power, with Raul's reforms limited. Allowing Cubans to own cell phones and stay in hotels previously designated for foreigners were significant reforms only when contrasted to Fidel Castro's rigidity; the Raul Castro regime remained conservative and oppressive. The U.S. had made significant gestures, such as offering Cuba USD 11 million in disaster relief, but Cuba had rejected the offer due to the continuing U.S. embargo. A/S Shannon noted that the U.S. would work with the EU as it reexamined its Cuba policy. He stressed that freeing political prisoners would help the Cuban regime set the right tone with the incoming Obama administration.

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Other Issues in the Region  
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Colombia  
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¶17. (C) Commending Foreign Minister Lavrov for visiting Bogota, A/S Shannon urged the GOR to engage more with Colombia, a country whose success story would likely change the face of Latin America. It had helped fight insurgencies in the region, had made good progress against the FARC, and its relationship with Central America, the Caribbean region, and Asia made it an important "connector" country in a way that Venezuela was not.

Haiti  
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¶18. (C) In response to Ryabkov's request for a status report on Haiti, A/S Shannon acknowledged the situation was complicated, but stressed that Haiti represented a success story for regional peacekeeping initiatives. For the first time since 1965, Latin American countries, along with the UN, took the lead in the peacekeeping operation, with A/S Shannon singling out Brazil's leadership role. The UN, he argued, now had both the opportunity and the challenge to work with the Haitian authorities on rebuilding state institutions and curbing gang violence. Stability was possible, if the international community could help the elected Haitian government to become self-sufficient in the near future. A continued inability of the Haitian leadership to assume effective governing roles risked alienating a Haitian public that opposed prolonged outside intervention.

Immigration  
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¶19. (C) DFM Ryabkov noted U.S. and Russian overlapping interests on immigration issues, with both countries hosting large -- mostly illegal -- immigrant populations from neighboring countries. A/S Shannon expressed a willingness to consult, suggesting that countries in Latin America should become involved, as many of them also host migrants from neighboring countries. Both A/S Shannon and DFM Ryabkov agreed that the way to solve the problem was to improve economic conditions in their neighboring countries.

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Meeting With Conoco Philips Russia  
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¶20. (SBU) A/S Shannon also met with Vice President of Conoco Philips Russia Stuart Snow December 22 to discuss Russia's economic intentions in Latin America, a conversation that provided more context to the earlier discussion with Ryabkov.

Snow told A/S Shannon that Conoco Philips primarily dealt with Lukoil, the largest privately-owned Russian oil company.

He said the GOR was encouraging Lukoil to invest in Venezuela and he assumed that was true for other Russian "majors." Times were hard for Lukoil and other oil and gas firms, however, and they were therefore likely to "sit on the sidelines" with respect to Latin America, despite GOR pressure.

¶21. (SBU) Snow said the one Russian oil firm that might respond to the GOR on Latin America was Rosneft, primarily because of its ties to DPM Sechin, who was also Rosneft's chair. Snow noted that Sechin has led several of Russia's diplomatic and commercial missions to the region and appears to be the GOR's energy point person for the region. In Snow's view, Sechin might use his influence with the company to help realize GOR intentions in the region.

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Comment  
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¶22. (C) The MFA clearly welcomed and appreciated the opportunity to consult on Latin American issues. As Ryabkov noted at the end of the meeting, he found the exchange to be extremely useful and personally took over ten pages of notes.

As Russia continues to explore ways to reestablish old relationships and form new ones around the world, consultations such as this may prove to be a useful way to establish common interests and encourage responsible Russian behavior.

¶23. (U) A/S Shannon cleared this cable.  
BEYRLE